711 Capitol Way, Room 206 Olympia Washington

Public Disclosure Commission

Jane Noland, Chair Bill Brumsickle, Vice-Chair Ken Schellberg, Secretary Earl Tilly, Member

May 2, 2007

Volume 7 Issue No 4

Enforcement

In lieu of an enforcement hearing, the Commission accepted a stipulation from the **King County Republican Central Committee (KCRCC)**, which admitted multiple violations of:

- failing to timely report contributions received and expenditures made in 2006,
- failing to report contributors' occupation and employer information in 2006,
- failing to report a contribution made to a candidate in 2005 and again in 2006,
- failing to provide complete and accurate descriptions for 2005 and 2006 expenditures, and
- failing to report independent expenditures made in 2005.

The **KCRCC** agreed to pay a penalty of \$40,000 with \$17,500 suspended on 7 conditions:

- 1. they commit no further violations of RCW 42.17 through calendar year 2010,
- 2. they pay the non-suspended penalty within 120 days,
- 3. they establish internal controls to ensure that complete and accurate PDC reports are timely filed,
- 4. they ensure that their treasurer(s) is properly trained in campaign disclosure,
- 5. they undergo independent audits of their books and operations for calendar years 2007, 2008, 2009, and 2010 and report the results to the PDC.
- 6. they correct any outstanding reporting issues from 2005 and 2006, and
- 7. they comply in good faith with future reporting in accordance with Washington's campaign disclosure law.

This case arose from two citizen action complaints served on the Attorney General and referred to the commission staff for investigation. The Commission will recommend that the Attorney General take no further action.

Rulemaking

Language to amend **WAC 390-28-080**, **Hearing to modify reporting – Evidence**, **record**, **adverse decisions** was approved. A public hearing on this rule will be scheduled during a future commission meeting.

Staff briefed the Commission on the Federal Election Commission's internet rules. The Commission agreed to discuss the FEC rules and related potential PDC rulemaking at a future commission meeting.

The Commission temporarily suspended Declaratory Order 5a and enforcement of WAC 390-16-206(3) pending further review.

Commission Interpretation

The Commission approved **PDC Interpretation 07-02**, **Primary Purpose Test** to provide guidance for determining whether an organization is a political committee. The interpretation distills key concepts from an Attorney General Opinion and two court cases that applied a "primary purpose" test to decide whether specific organizations met the statutory definition of a political committee.

Reporting Modifications:

The Commission granted a Personal Financial Affairs Statement (PDC Form F-1) reporting modification to:

- Tamara J. Conrad, Commissioner, King Co. Fire Protection Dist. 41, who requested an exemption from reporting the business customers of Mills, Meyers, Swartling, PSC, a Seattle law firm of which her spouse is a director, and
- **Jesse R. "Jack" Thompson**, Commissioner, Port of Grays Harbor, from reporting the business customers of Westport Shipyard, Inc. A request to not report the business customers of Grays Harbor Public Development Authority, of which he is a director, was denied.

The Commission revised a March 2007 reporting modification granted to **Richard Hartman,** Director, Montesano School District, to include an exemption from reporting the business customers of Harbor Chrysler Jeep Dodge, an automobile dealership of which he is a corporate officer and owner.

The Commission renewed reporting modifications, with no changes, for:

- Kenneth Alhadeff, Regent, Washington State University
- Bruce D. Allen, Director, Highland School Dist.
- William H. Chapman, Member, WA State Interagency Committee for Outdoor Recreation
- Bruce Dammeier, Director, Puyallup School Dist.
- Andrea Darvas, Judge, King Co. Superior Court
- Deborah Ehrlichman, Director, Shoreline School Dist.
- Jayasri Guha, Member, Information Services Board
- Norman P. Gutzwiler, Commissioner, Chelan County Public Utility District #1
- Leslie D. Jones, Trustee, Central Washington University
- Richard A. Jones, Judge, King Co. Superior Court
- **Dan Kristiansen**, State Representative, 39th Legislative District
- A. Daniel O'Neal, Member, WA State Transportation Commission
- Palmer Robinson, Judge, King Co. Superior Court
- William Ruckelshaus, Chairman, WA State Salmon Recovery Board
- Nancy Whitten, Council Member, City of Sammamish

The Commission meeting materials can be found at www.pdc.wa.gov under Commission Meetings. For additional information concerning these issues contact Lori Anderson, Communications & Training Officer, at (360) 664-2737, toll free 1-877-601-2828 or e-mail at landerson@pdc.wa.gov.

The next meeting of the Public Disclosure Commission is tentatively scheduled for June 27 & 28, 2007.